

Message Text

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ACTION EB-07

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E.O. 11652: N/A

TAGS: EAIR, AU, GW

SUBJECT: CIVIL AVIATION: AUSTRIAN CIVIL AVIATION

AUTHORITIES SEEKING CONSULTATIONS UNDER

AUSTRIAN-U.S. BILATERAL

SUMMARY: CIVIL AVIATION DEPARTMENT OF GOA HAS TOLD EMBASSY IT HAS ASKED FOREIGN MINISTRY TO REQUEST CONSULTATIONS WITH USG UNDER BILATERAL CONCERNING PAN AM'S FIFTH FREEDOM RIGHTS. END SUMMARY

1. DR. VOGL, SENIOR OFFICIAL IN AUSTRIAN CIVIL AVIATION DEPARTMENT (MINISTRY OF TRANSPORT) INFORMALLY ADVISED EMBASSY YESTERDAY THAT AUSTRIAN CIVIL AVIATION AUTHORITIES INTEND TO ASK FOR CONSULTATIONS WITH THE U.S. UNDER ARTICLE XIV OF U.S.-AUSTRIAN BILATERAL CIVIL AIR TRANSPORT AGREEMENT ON PAN AM'S FIFTH FREEDOM RIGHTS. HE STATED THAT HE HAD SENT A LETTER DATED DECEMBER 9 TO CAB GIVING INDICATION OF AUSTRIA'S INTENTION TO REQUEST CONSULTATIONS THROUGH DIPLOMATIC CHANNELS. VOGL TOLD EMBASSY HE HAD ASKED FOREIGN MINISTRY TO SUBMIT REQUEST NO LATER THAN CHRISTMAS.

2. VOGL SAID AUSTRIAN MOVE WAS DUE TO VIEW THAT PAN AM'S FLIGHTS VIA INTERMEDIATE POINTS IN EUROPE WOULD ADVERSELY AFFECT AUSTRIAN AIRLINES' (AUA) EUROPEAN

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SERVICES. HE SAID CIVIL AVIATION DEPARTMENT HAS

RESISTED PRESSURES FROM AUA FOR SOME TIME, BUT NO LONGER COULD DO SO BECAUSE OF EFFORTS BY OTHER EUROPEAN COUNTRIES TO RESTRICT AUA'S OPERATIONS. IN ORDER TO MAKE UP FOR LOSSES WHICH AUA MAY INCUR AS RESULT THEREOF, AUSTRIANS FEEL THEY MUST INSURE UNIMPEDED EXERCISE OF THIRD AND FOURTH FREEDOM RIGHTS FOR NATIONAL CARRIER (AUA).

3. VOGL CITED AS CASE IN POINT AN AUA PLAN TO INTRODUCE DIRECT AUA DUESSELDORF-VIENNA SERVICE IN 1975 SUMMER SEASON. LUFTHANSA IS OBJECTING TO AUSTRIAN PROPOSAL ON GROUND THAT PAN AM'S PRESENT EXERCISE OF TRAFFIC RIGHTS BETWEEN DUESSELDORF AND VIENNA HAS ALREADY RESULTED IN EXCESS CAPACITY AND MAY FORCE LUFTHANSA TO DISCONTINUE ONE OF ITS TWO DAILY ROUND-TRIP FLIGHTS BETWEEN VIENNA AND DUESSELDORF. WHILE VOGL CITED DUESSELDORF AS AN EXAMPLE, HE LEFT CLEAR IMPRESSION THAT EVEN IF PAN AM WERE TO DROP DUESSELDORF (WHICH IT PROBABLY WOULD DO ANYWAY AT CLOSE OF WINTER SEASON), AUSTRIA WOULD STILL SEEK CONSULTATIONS. VOGL INDICATED THAT NEITHER CIVIL AVIATION AUTHORITIES NOR AUA HAVE HAD DISCUSSIONS WITH PAN AM CONCERNING THIS MATTER. (LOCAL PAN AM REP LOY HAS HAD NO COMPLAINTS FROM AUSTRIANS RE CURRENT THREE TIMES WEEKLY VIENNA-DUESSELDORF-AMSTERDAM-NEW YORK FLIGHTS. HE TELLS US HE WAS PERSONALLY OPPOSED TO DUESSELDORF STOP ON GROUNDS THAT TWO INTERMEDIATE STOPS ON NEW YORK-VIENNA ROUTE MAKE FLIGHT UNCOMPETITIVE WITH OTHER AIRLINES.) VOGL MAINTAINS AUSTRIAN REQUEST FULLY IN ACCORDANCE WITH U.S.-AUSTRIAN BILATERAL AND PRINCIPLE OF POST FACTO REVIEW AS WELL AS PRINCIPLE THAT THIRD AND FOURTH FREEDOM TRAFFIC HAS PRIORITY OVER FIFTH FREEDOM TRAFFIC.

4. EMBASSY HAS HEARD NOTHING FROM FOREIGN OFFICE ON THIS MATTER THUS FAR. WE MADE LOW-KEY APPROACH TODAY TO NEW CHIEF OF ECONOMIC SECTION IN FOREIGN MINISTRY, DR. SCHOBER. HE SAID HE WAS UNINFORMED ON THE MATTER BUT WOULD LOOK INTO IT.

5. COMMENT: ABSENCE OF ANY ATTEMPT TO DISCUSS MATTER LIMITED OFFICIAL USE

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WITH PAN AM APPEARS TO REFLECT CONTINUING COOL RELATIONS BETWEEN PAN AM AND AUA WHICH WERE STRAINED EARLIER THIS YEAR BY ONA CASE. APART FROM DUESSELDORF ISSUE, AUA HAS PLANS TO INAUGURATE A DIRECT VIENNA-BRUSSELS SERVICE IN THE SUMMER SEASON, AND BRUSSELS IS ALSO A POINT THAT PAN AM HAS USED AS INTERMEDIATE STOP BETWEEN NEW YORK AND VIENNA. AS EMBASSY RECENTLY REPORTED (A-532), AUA HAS SCRAPPED FOR THE TIME BEING ITS AMBITIOUS PLANS FOR

LONG-RANGE SERVICE TO THE FAR EAST AND INTENDS TO CONCENTRATE ON ITS SHORTER MEDITERRANEAN AND EUROPEAN NETWORKS. MOREOVER, AUA HAS NO PRESENT INTENTION TO RESUME FLIGHTS TO U.S. AUA HAS ON ORDER TWO ADDITIONAL DC-9S SCHEDULED FOR DELIVERY NEXT YEAR. GIVEN THESE FACTORS, AND PRESENT DIFFICULT ECONOMIC SITUATION OF AIRLINES, IT WAS PROBABLY INEVITABLE THAT AUA SOONER OR LATER WOULD TAKE A HARD LOOK AT PAN AM'S FIFTH FREEDOM RIGHTS. IT MIGHT BE WORTH A TRY TO SUGGEST TO AUSTRIANS THAT AUA MAKE A SERIOUS ATTEMPT TO DISCUSS MATTER WITH PAN AM BEFORE ENTERING FORMAL CONSULTATIONS. PAN AM HAS USED INTERMEDIATE POINTS ON NEW YORK-VIENNA SERVICE WITH GREAT FLEXIBILITY AND CONCEIVABLY COULD ACCOMMODATE AUSTRIANS. END COMMENT.

6. REQUEST DEPARTMENT'S COMMENTS.HUMES

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